



State of Utah

Department of Natural Resources

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Division of Oil, Gas & Mining

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Lieutenant Governor

June 6, 2005

Mr. Gregory Hahn
SUMMO USA Corporation
3900 South Wadsworth Boulevard, Suite 495
Lakewood, Colorado 80235

Subject: Reclamation Contract, SUMMO USA Corp., Lisbon Valley Mine,
M/037/088, San Juan County, Utah

Dear Mr. Hahn:

On May 18, 2005, the Division received a revised reclamation contract for the referenced mine. There are issues that need to be resolved before we can approve this new contract.

The map associated with the contract shows disturbances outside the "project boundary," and we understand these disturbances are proposed water pipelines. It does not appear these pipelines are discussed in your plan of operations. The legal description in the reclamation contract does not include the pipeline areas. The contract needs to include Section 6 of Township 31 South, Range 26 East, SLBM.

Please submit an amendment to your mine plan showing how the pipelines will be installed and how the areas will be reclaimed. Describe whether the pipes will be above or below ground and what treatments will be used to reclaim these areas.

Page 1 of the reclamation contract shows the disturbed area as "395 acres (30% of total project)." Please eliminate the portion in parentheses as it is confusing. It implies that 395 acres is 30 percent of the total project acreage, and this is not correct. You have submitted 30 percent of the bond for the total project, but 395 acres is actually 37.7 percent of the total project acreage (1048 acres).

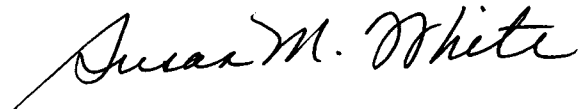
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The Bureau of Land Management has not yet notified us of their approval for these new areas, and you will need to have this approval before operating on land they manage.

As you know, you have two reclamation contracts for this project. Some wells are bonded under both contracts. Once this current reclamation contract is finalized, we would like to begin working with you to consolidate all facilities used for your mining operations, such as production and monitoring wells, into the mine plan. Exploration projects would logically be kept separate. No information is required from you at this time.

Please provide a response to the map and pipeline issues by June 17, 2005. If you have questions about the information needed, please call me at 801-538-5258 or Paul Baker at 801-538-5261.

Sincerely,



Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:PBB:jb

cc: Frank Bain, Moab BLM
Lantz Indergard, Summo
Pat Gochnour, Gochnour and Associates

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